

Finding Authorizing Special Meeting

The following finding was adopted by the Pension Obligation Financing Committee at its Special Meeting on September 30, 2003:

A decision has been issued in the pending litigation matter: *Pension Obligation Bond Committee v. All Persons Interested in the Matter of the Validity of the State of California's Pension Obligation, the California Pension Obligation Bonds (Federally Taxable) to be Issued, and a Trust Agreement to be Entered Into, by the Pension Obligation Bond Committee, for and in the Name and on Behalf of the State of California, and Certain Matters and Proceedings Related Thereto*, Sacramento County Superior Court Case No. 03AS02994. As a result of that decision, this Committee is forestalled from issuing the Pension Obligation Bonds authorized by this Committee at its meeting on May 27, 2003. Any appeal of this matter must be undertaken with all due speed, if this Committee is to be able to issue the Pension Obligation Bonds during this fiscal year. This Committee must take immediate action to assess its appeal options, and to provide direction regarding any appeal of this action to the Attorney General. Failure to make this determination immediately will cause harm to the public interest, in that it would have the effect of foreclosing the option of issuing Pension Obligation Bonds during this fiscal year through inaction.